

EXHIBIT 17

Krieger, Arlene G.

From: Krieger, Arlene G.
Sent: Wednesday, May 09, 2007 11:27 AM
To: Pasquale, Ken
Subject: Grace - 5/9/07 Call

Date: May 9, 2007

These are the highlights of our call with Jan, Mark and others this morning:

With respect to the form of the Interrogatory approved by the Court, Grace feels that they got virtually everything they asked for. They knew that No.6 was outside of the scope of questions on B-reads and not consistent with the information typically obtained in a privilege log, but thought they would try for it anyway. Obtaining the identity of the doctor would have made matching information easier.

With respect to settlement discussions, there have not been any, although a dialog has continued. Joe Rice and David Austern reportedly have not been kept apprised of the information in the charts the Debtors have presented to the Court during hearings, particularly those at the April 2, 2007 hearing, which surprised Mark and the others. Also, the sense is that PI counsel is spending a lot of time on G-1 Holdings.

On post-petition interest to our constituents at the default rate, Mark looked at the recent trading in the bank debt in the 160's. He says that it is thinly traded with less than \$20.0 million changing hands at that price. So, while he recognizes it may be an issue, he is not yet overly concerned that the Company will have to provide the default rate.

With respect to the Project Gemini transaction, the price continues to drop as the Company's Washcoat business did not have a good first quarter. Grace still maintains that the price is above the level where it does not make sense to move forward with the sale.

The Company will be filing their next pension funding motion in several weeks, so that it can be heard at the June 25, 2007 omnibus hearing.

With respect to the May 21, 2007 hearing, Jan did not have the agenda in front of her, but believes much of the hearing will be taken up with the BNSF and Montana matters. The motion for a protective order filed by Early, Luckey is also to be heard at that time.

The parties are still working on the PD settlements with Dies and Prudential. The Company is nearly done with settlements on several individual PD claims and may file those in time to have them heard on June 25, 2007.

Argument on the Government's appeal from 6 of the 8 pre-trial decisions issued in Grace's favor by Judge Molloy in the criminal trial will be heard on June 8, 2007 in Seattle.

Mark related that he had occasion to be in Libby to attend Alan Stringer's funeral and that he and the other Grace persons were well received and treated well. He thought that the Company might do better if the trial was in Libby, rather than in other parts of Montana.